



To: Members of the House Health Policy Committee

From: Wendy Block, Director of Health Policy and Human Resources

Date: December 13, 2007

Re: Chamber Opposes Government-imposed Health Care Mandates

The purpose of this memorandum is to inform you that the Michigan Chamber of Commerce opposes House Bills 5527 and 5529, legislation to mandate insurance coverage for autism.

As you know, Michigan job providers continue to struggle beneath the burden of skyrocketing health care costs, which have increased at near double-digit rates for the past six years with no end in sight. In fact, our members are reporting their insurance is expected to increase in the range of 10 to 13 percent in 2008. Quite obviously, this health care inflation threatens the availability and affordability of private employer-provided health benefits for over 5.8 million working Michiganders.

Imposing new coverage mandates, no matter how popular or well intentioned, will increase health care costs. In fact, it is estimated that an autism mandate -- similar to a mental health mandate -- will increase the cost of health insurance premiums anywhere from slightly less than one on up to four or more percent per year.

Employers recognize the value of offering their employees coverage for their most pressing medical needs. Indeed, many employers currently offer their employees coverage for many different illnesses and medical conditions not mandated by state law. However, employers are strongly concerned that in today's environment of rising health care costs, legislation imposing additional mandates will increase costs even more and ultimately lead to fewer - not more - available benefits for employees.

Ultimately, we believe employers and employees should be able to decide, free of governmental interference, what diseases, medical conditions and other benefits are included in their health insurance coverage. They know best what they can afford and should have a broad range of options to "tailor" a health insurance plan to the characteristics of their workforce. After all, why should businesses be forced to pay for a benefit that is not likely to be utilized by their employees or pay the cost of covering a condition(s) that prices them out of the insurance market?

With health care costs predicted to rise at double digit rates again next year and the number of uninsured climbing, piling on more government-imposed health care mandates is the wrong answer at the wrong time. Instead, we urge you to focus your efforts on improving access to quality health care and stabilizing -- if not lowering - the cost of health care.

We stand prepared to work with you in achieving this critical goal. Please do not hesitate to contact me at 517/371-7678 if you have any questions.